

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments.

EXPENDABLE TRUST FUNDS:

Expendable Trust Fund accounts for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

Revolving Loan Fund accounts for federal grants, investment and interest income; to be expended for loans to non-profit private entities to establish housing for individuals recovering from alcohol or drug abuse and for loans to local housing authorities.

Teacher Quality Endowment Fund: accounts for funds to be paid in an incoming teacher signing bonus program to be administered by the department of education for the purpose of encouraging the best and brightest candidates to teach in public schools.

Unemployment Compensation Fund accounts for unemployment taxes collected from employers and held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

NONEXPENDABLE TRUST FUNDS:

Nonexpendable Trust Fund accounts for various gifts and bequests held by the Commonwealth, of which only the income may be expended for purposes specified by the donor.

PENSION TRUST FUNDS:

Pension Trust Funds accounts for the assets, liabilities and fund balances held in trust by the State Employees' and Teachers' Retirement Systems for the payment of retirement, disability and death benefits to members of these retirement systems.

AGENCY FUNDS:

Agency Funds accounts for cash, investments held or managed by the Commonwealth on behalf of others. These include the investments made by cities, towns and local authorities in the Municipal Depository Trust and Pension Reserves Investment Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, local option taxes collected but not yet remitted, assets held in escrow accounts by the Commonwealth's court system and human service departments, child support payments collected or receivable and not yet remitted to custodial parents, and deposits required from insurance companies and similar organizations.

Fiduciary Fund Types
Combining Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	<u>Expendable Trust Funds</u>	<u>Nonexpendable Trust Funds</u>	<u>Pension Trust Funds</u>
ASSETS			
Cash and short-term investments.....	\$ 220,168	\$ 5,835	\$ 992,738
Cash on deposit with U.S. Treasury.....	1,699,693	-	-
Investments.....	-	-	22,656,891
Assets held in trust.....	-	-	-
Other receivables, net of allowance for uncollectibles.....	-	-	482,658
Total assets.....	<u>1,919,861</u>	<u>5,835</u>	<u>24,132,287</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable.....	\$ 13,444	\$ -	\$ 909,307
Accrued payroll.....	79	-	-
Agency liabilities.....	4,430	-	-
Due to cities and towns.....	-	-	-
Due to other funds.....	-	-	1,672
Total liabilities.....	<u>17,953</u>	<u>-</u>	<u>910,979</u>
Fund balances:			
Reserved for:			
Employees' pension benefits.....	-	-	23,221,308
Unemployment benefits.....	1,699,693	-	-
Unreserved:			
Designated for specific purpose.....	202,215	5,835	-
Total fund balances.....	<u>1,901,908</u>	<u>5,835</u>	<u>23,221,308</u>
Total liabilities and fund balances.....	<u>\$ 1,919,861</u>	<u>\$ 5,835</u>	<u>\$ 24,132,287</u>

Agency Funds	Totals	
	1998	1997
\$ 262,155	\$ 1,480,896	\$ 1,229,252
-	1,699,693	1,222,725
738,709	23,395,600	19,528,772
1,866,078	1,866,078	1,708,422
-	482,658	218,393
\$ 2,866,942	\$ 28,924,925	\$ 23,907,564
\$ 10,981	\$ 933,732	\$ 520,792
-	79	34
2,833,288	2,837,718	2,469,062
22,673	22,673	20,142
-	1,672	3,657
\$ 2,866,942	\$ 3,795,874	\$ 3,013,687
-	23,221,308	19,560,061
-	1,699,693	1,222,725
-	208,050	111,091
-	25,129,051	20,893,877
\$ 2,866,942	\$ 28,924,925	\$ 23,907,564

Expendable Trust Funds
Combining Balance Sheet - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	Expendable Trusts	Unemployment Compensation Trust	Totals	
			1998	1997
ASSETS				
Cash and short-term investments.....	\$ 220,168	\$ -	\$ 220,168	\$ 132,788
Cash on deposit with U.S. Treasury.....	<u>-</u>	<u>1,699,693</u>	<u>1,699,693</u>	<u>1,222,725</u>
Total assets.....	<u><u>\$ 220,168</u></u>	<u><u>\$ 1,699,693</u></u>	<u><u>\$ 1,919,861</u></u>	<u><u>\$ 1,355,513</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable.....	13,444	-	13,444	18,288
Accrued payroll.....	79	-	79	34
Agency liabilities.....	<u>4,430</u>	<u>-</u>	<u>4,430</u>	<u>9,210</u>
Total liabilities.....	<u><u>17,953</u></u>	<u><u>-</u></u>	<u><u>17,953</u></u>	<u><u>27,532</u></u>
Fund balances:				
Reserved for:				
Unemployment benefits.....	-	1,699,693	1,699,693	1,222,725
Unreserved:				
Designated for specific purpose.....	<u>202,215</u>	<u>-</u>	<u>202,215</u>	<u>105,256</u>
Total fund balances.....	<u><u>202,215</u></u>	<u><u>1,699,693</u></u>	<u><u>1,901,908</u></u>	<u><u>1,327,981</u></u>
Total liabilities and fund balances.....	<u><u>\$ 220,168</u></u>	<u><u>\$ 1,699,693</u></u>	<u><u>\$ 1,919,861</u></u>	<u><u>\$ 1,355,513</u></u>

Expendable Trust Funds

Combining Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	Expendable Trusts	Unemployment Compensation Trust	Totals	
			1998	1997
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes.....	\$ -	\$ 1,092,698	\$ 1,092,698	\$ 1,174,332
Assessments.....	2,306	-	2,306	1,686
Federal grants and reimbursements.....	11,464	17,466	28,930	29,701
Departmental.....	8,377	7,112	15,489	6,724
Miscellaneous.....	<u>188,147</u>	<u>97,498</u>	<u>285,645</u>	<u>214,808</u>
Total revenues.....	<u>210,294</u>	<u>1,214,774</u>	<u>1,425,068</u>	<u>1,427,251</u>
Other financing sources:				
Operating transfers in.....	78,796	-	78,796	6,971
Other sources.....	<u>3,079</u>	<u>-</u>	<u>3,079</u>	<u>2,073</u>
Total other financing sources.....	<u>81,875</u>	<u>-</u>	<u>81,875</u>	<u>9,044</u>
Total revenues and other financing sources.....	<u>292,169</u>	<u>1,214,774</u>	<u>1,506,943</u>	<u>1,436,295</u>
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Judiciary.....	226	-	226	229
Secretary of the Commonwealth.....	5	-	5	5
Treasurer and Receiver-General.....	1,380	-	1,380	7,033
Auditor of the Commonwealth.....	170	-	170	285
Attorney General.....	3,404	-	3,404	1,724
District Attorney.....	3,152	-	3,152	3,215
Administration and finance.....	9,529	-	9,529	5,320
Environmental affairs.....	7,137	-	7,137	7,613
Communities and development.....	606	-	606	1,036
Health and human services.....	17,934	-	17,934	18,299
Transportation and construction.....	526	-	526	2,609
Education.....	6,117	-	6,117	1,140
Higher education.....	117	-	117	103
Public safety.....	2,645	-	2,645	2,967
Economic development.....	754	-	754	1,696
Elder affairs.....	36	-	36	50
Consumer affairs.....	6,402	-	6,402	7,098
Labor.....	<u>52,365</u>	<u>737,806</u>	<u>790,171</u>	<u>837,727</u>
Total expenditures.....	<u>112,505</u>	<u>737,806</u>	<u>850,311</u>	<u>898,149</u>
Other financing uses:				
Fringe benefit cost assessment.....	3,086	-	3,086	2,365
Operating transfers out.....	<u>79,619</u>	<u>-</u>	<u>79,619</u>	<u>66,900</u>
Total other financing uses.....	<u>82,705</u>	<u>-</u>	<u>82,705</u>	<u>69,265</u>
Total expenditures and other financing uses.....	<u>195,210</u>	<u>737,806</u>	<u>933,016</u>	<u>967,414</u>
Excess and other financing sources over expenditures and other financing uses.....	96,959	476,968	573,927	468,881
Fund balances at beginning of year.....	105,256	1,222,725	1,327,981	859,100
Fund balances at end of year.....	<u>\$ 202,215</u>	<u>\$ 1,699,693</u>	<u>\$ 1,901,908</u>	<u>\$ 1,327,981</u>

Expendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash and short-term investments.....	\$ 154,106	\$ 129,773
Total assets.....	<u>\$ 154,106</u>	<u>\$ 129,773</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ 13,444	\$ 18,288
Accrued payroll.....	79	34
Agency liabilities.....	<u>4,430</u>	<u>9,210</u>
Total liabilities.....	<u>17,953</u>	<u>27,532</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	<u>136,153</u>	<u>102,241</u>
Total fund balances.....	<u>136,153</u>	<u>102,241</u>
Total liabilities and fund balances.....	<u>\$ 154,106</u>	<u>\$ 129,773</u>

Expendable Trust Fund

Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ -	\$ 158
Assessments.....	2,306	1,686
Federal grants and reimbursements.....	11,464	12,481
Departmental.....	8,377	6,724
Miscellaneous.....	<u>188,055</u>	<u>151,741</u>
Total revenues.....	<u>210,202</u>	<u>172,790</u>
Other financing sources:		
Operating transfers in.....	18,796	6,971
Other sources.....	<u>85</u>	<u>66</u>
Total other financing sources.....	<u>18,881</u>	<u>7,037</u>
Total revenues and other financing sources.....	<u>229,083</u>	<u>179,827</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Judiciary.....	226	229
Secretary of the Commonwealth.....	5	5
Treasurer and Receiver-General.....	1,380	7,033
Auditor of the Commonwealth.....	170	285
Attorney General.....	3,404	1,724
District Attorney.....	3,152	3,215
Administration and finance.....	9,529	5,320
Environmental affairs.....	7,137	7,613
Communities and development.....	575	480
Health and human services.....	17,926	18,289
Transportation and construction.....	526	2,609
Education.....	6,117	1,140
Higher education.....	117	103
Public safety.....	2,645	2,967
Economic development.....	754	1,696
Elder affairs.....	36	50
Consumer affairs.....	6,402	7,098
Labor.....	<u>52,365</u>	<u>44,089</u>
Total expenditures.....	<u>112,466</u>	<u>103,945</u>
Other financing uses:		
Fringe benefit cost assessment.....	3,086	2,365
Operating transfers out.....	<u>79,619</u>	<u>66,900</u>
Total other financing uses.....	<u>82,705</u>	<u>69,265</u>
Total expenditures and other financing uses.....	<u>195,171</u>	<u>173,210</u>
Excess of revenues and other sources over expenditures and other uses.....	33,912	6,617
Fund balances at beginning of year.....	102,241	95,624
Fund balances at end of year.....	<u>\$ 136,153</u>	<u>\$ 102,241</u>

Revolving Loan Fund
Balance Sheet - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 6,062	\$ 3,015
Total assets.....	<u>\$ 6,062</u>	<u>\$ 3,015</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	6,062	3,015
Total fund balances.....	<u>6,062</u>	<u>3,015</u>
Total liabilities and fund balances.....	<u>\$ 6,062</u>	<u>\$ 3,015</u>

Revolving Loan Fund

Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ 92	\$ 85
Total revenues.....	92	85
Other financing sources:		
Other sources.....	2,994	2,007
Total other financing sources.....	2,994	2,007
Total revenues and other financing sources.....	3,086	2,092
EXPENDITURES AND OTHER USES		
Expenditures:		
Communities and development.....	31	556
Health and human services.....	8	10
Total expenditures.....	39	566
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	39	566
Excess of revenues and other sources over expenditures and other uses.....	3,047	1,526
Fund balances at beginning of year.....	3,015	1,489
Fund balances at end of year.....	<u>\$ 6,062</u>	<u>\$ 3,015</u>

Teacher Quality Endowment Fund
Balance Sheet - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 60,000	\$ -
Total assets.....	\$ 60,000	\$ -
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	\$ -	\$ -
Fund balances:		
Unreserved:		
Designated for specific purpose.....	60,000	-
Total fund balances.....	60,000	-
Total liabilities and fund balances.....	\$ 60,000	\$ -

Teacher Quality Endowment Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Miscellaneous.....	\$ -	\$ -
Total revenues.....	-	-
Other financing sources:		
Operating transfers in.....	60,000	-
Total other financing sources.....	60,000	-
Total revenues and other financing sources.....	60,000	-
EXPENDITURES AND OTHER USES		
Expenditures:		
Education.....	-	-
Total expenditures.....	-	-
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	-	-
Excess of revenues and other sources over expenditures and other uses.....	60,000	-
Fund balances at beginning of year.....	-	-
Fund balances at end of year.....	<u>\$ 60,000</u>	<u>\$ -</u>

Unemployment Compensation Fund
Balance Sheet - Statutory Basis

June 30, 1998
(Amounts in thousands)

	1998	1997
ASSETS		
Cash on deposit with U.S. Treasury.....	\$ 1,699,693	\$ 1,222,725
Total assets.....	<u>\$ 1,699,693</u>	<u>\$ 1,222,725</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Unemployment benefits.....	1,699,693	1,222,725
Total fund balances.....	<u>1,699,693</u>	<u>1,222,725</u>
Total liabilities and fund balances.....	<u>\$ 1,699,693</u>	<u>\$ 1,222,725</u>

Unemployment Compensation Fund
Statement Of Revenues, Expenditures And Changes In Fund Balances - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
REVENUES AND OTHER SOURCES		
Revenues:		
Taxes.....	\$ 1,092,698	\$ 1,174,174
Federal grants and reimbursements.....	17,466	17,220
Departmental.....	7,112	-
Miscellaneous.....	97,498	62,982
Total revenues.....	<u>1,214,774</u>	<u>1,254,376</u>
Other financing sources:		
Operating transfers in.....	-	-
Total other financing sources.....	-	-
Total revenues and other financing sources.....	<u>1,214,774</u>	<u>1,254,376</u>
EXPENDITURES AND OTHER USES		
Expenditures:		
Labor.....	737,806	793,638
Total expenditures.....	<u>737,806</u>	<u>793,638</u>
Other financing uses:		
Operating transfers out.....	-	-
Total other financing uses.....	-	-
Total expenditures and other financing uses.....	<u>737,806</u>	<u>793,638</u>
Excess of revenues and other sources over expenditures and other uses.....	476,968	460,738
Fund balances at beginning of year.....	1,222,725	761,987
Fund balances at end of year.....	<u>\$ 1,699,693</u>	<u>\$ 1,222,725</u>

Nonexpendable Trust Fund
Balance Sheet - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
ASSETS		
Cash and short-term investments.....	\$ 5,835	\$ 5,835
Total assets.....	<u>\$ 5,835</u>	<u>\$ 5,835</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable.....	\$ -	\$ -
Total liabilities.....	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved:		
Designated for specific purpose.....	5,835	5,835
Total fund balances.....	<u>5,835</u>	<u>5,835</u>
Total liabilities and fund balances.....	<u>\$ 5,835</u>	<u>\$ 5,835</u>

Nonexpendable Trust Fund
Statement Of Revenues, Expenses And Changes In Fund Balances - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	1998	1997
REVENUES		
Revenues:		
Investment earnings.....	\$ -	\$ -
Total revenues.....	_____	_____
EXPENSES		
Expenses:		
Treasurer and Receiver-General.....	_____	_____
Total expenses.....	_____	_____
Excess of revenues over expenses.....	-	-
Fund balances at beginning of year.....	5,835	5,835
Fund balances at end of year.....	<u>\$ 5,835</u>	<u>\$ 5,835</u>

Pension Trust Funds
 Combining Statement of Net Assets Available for Pension Benefits - Statutory Basis

June 30, 1998
 (Amounts in thousands)

	State Employees' PERS	Teachers' PERS	Totals	
			1998	1997
ASSETS				
Cash and short-term investments.....	\$ 483,441	\$ 509,297	\$ 992,738	\$ 869,492
Investments at fair value.....	11,179,161	11,477,730	22,656,891	18,969,346
Other receivables, net of allowance for uncollectibles.....	221,557	261,101	482,658	218,393
Total assets.....	<u>\$ 11,884,159</u>	<u>\$ 12,248,128</u>	<u>\$ 24,132,287</u>	<u>\$ 20,057,231</u>
LIABILITIES				
Accounts payable.....	\$ 447,093	\$ 462,214	\$ 909,307	\$ 493,513
Due to other funds.....	-	1,672	1,672	3,657
Total liabilities.....	<u>447,093</u>	<u>463,886</u>	<u>910,979</u>	<u>497,170</u>
Net assets available for pension benefits (fund balances reserved for employees' pension benefits).....	<u>\$ 11,437,066</u>	<u>\$ 11,784,242</u>	<u>\$ 23,221,308</u>	<u>\$ 19,560,061</u>

Pension Trust Funds

Combined Statement of Changes in Net Assets Available for Pension Benefits - Statutory Basis

Fiscal Year Ended June 30, 1998
(Amounts in thousands)

	State Employees' PERS	Teachers' PERS	1998	1997
Additions:				
Commonwealth contributions.....	\$ 488,780	\$ 450,309	\$ 939,089	\$ 899,048
Employees contributions.....	<u>264,247</u>	<u>266,514</u>	<u>530,761</u>	<u>457,530</u>
Total contributions.....	<u>753,027</u>	<u>716,823</u>	<u>1,469,850</u>	<u>1,356,578</u>
Net investment income:				
Net appreciation in fair value of investments.....	1,390,788	1,397,745	2,788,533	2,823,841
Interest.....	<u>175,779</u>	<u>176,724</u>	<u>352,503</u>	<u>368,654</u>
Dividends.....	<u>127,895</u>	<u>128,535</u>	<u>256,430</u>	<u>158,922</u>
Real estate operating income, net.....	<u>35,822</u>	<u>36,002</u>	<u>71,824</u>	<u>54,525</u>
Alternative investments.....	<u>2,596</u>	<u>2,609</u>	<u>5,205</u>	<u>27,457</u>
Other.....	<u>1,873</u>	<u>1,882</u>	<u>3,755</u>	<u>156</u>
Total investment income.....	<u>1,734,753</u>	<u>1,743,497</u>	<u>3,478,250</u>	<u>3,433,555</u>
Less: investment expense.....	<u>21,381</u>	<u>21,488</u>	<u>42,869</u>	<u>60,703</u>
Net investment income.....	<u>1,713,372</u>	<u>1,722,009</u>	<u>3,435,381</u>	<u>3,372,852</u>
Total additions.....	<u>2,466,399</u>	<u>2,438,832</u>	<u>4,905,231</u>	<u>4,729,430</u>
Deductions:				
Administration.....	<u>24,213</u>	<u>11,760</u>	<u>35,973</u>	<u>3,688</u>
Retirement benefits and refunds.....	<u>649,651</u>	<u>558,360</u>	<u>1,208,011</u>	<u>1,121,952</u>
Total deductions.....	<u>673,864</u>	<u>570,120</u>	<u>1,243,984</u>	<u>1,125,640</u>
Net increase	1,792,535	1,868,712	3,661,247	3,603,790
Net assets available for pension benefits at beginning of year (fund balances reserved for employees' pension benefits).....	<u>9,644,531</u>	<u>9,915,530</u>	<u>19,560,061</u>	<u>15,956,271</u>
Net assets available for pension benefits at end of year (fund balances reserved for employees' pension benefits).....	<u>\$ 11,437,066</u>	<u>\$ 11,784,242</u>	<u>\$ 23,221,308</u>	<u>\$ 19,560,061</u>

Agency Funds
Statement Of Changes In Assets And Liabilities - Statutory Basis

Fiscal Year Ended June 30, 1998
 (Amounts in thousands)

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
ASSETS				
Cash and short-term investments.....	\$ 221,137	\$ 3,484,001	\$ 3,442,983	\$ 262,155
Investments.....	559,426	211,033	31,750	738,709
Assets held in trust.....	<u>1,708,422</u>	<u>189,453</u>	<u>31,797</u>	<u>1,866,078</u>
Total assets.....	<u><u>\$ 2,488,985</u></u>	<u><u>\$ 3,884,487</u></u>	<u><u>\$ 3,506,530</u></u>	<u><u>\$ 2,866,942</u></u>
LIABILITIES				
Accounts payable.....	\$ 8,991	\$ 1,275,268	\$ 1,273,278	\$ 10,981
Due to cities and towns.....	20,142	219,125	216,594	22,673
Due to federal government.....	-	22	22	-
Agency liabilities.....	<u>2,459,852</u>	<u>2,305,275</u>	<u>1,931,839</u>	<u>2,833,288</u>
Total liabilities.....	<u><u>\$ 2,488,985</u></u>	<u><u>\$ 3,799,690</u></u>	<u><u>\$ 3,421,733</u></u>	<u><u>\$ 2,866,942</u></u>